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Contact:

Michelle McGurk, PIO
Office of Mayor Chuck Reed
(408) 535-4840 or (408) 655-7332 cell

**San José Mayor Chuck Reed Delivers
2008 State of the City Address**

*Announces new CleanTech Jobs Investment Fund,
Calls on employees, residents, taxpayers to help solve budget deficit*

SAN JOSE – Building on a year of change, Mayor Chuck Reed today urged San José residents, employees, businesses, and the City Council to work together to solve the city’s structural budget deficit and to build the local economy by embracing the bold goals outlined in San José’s Green Vision.

Mayor Reed proposed the creation of a CleanTech Jobs Investment Fund that would encourage solar, alternative energy, and other green technology companies to locate and grow in San José.

“San José must remain the Capital of Silicon Valley, and Silicon Valley must remain the innovation center of the world,” Reed said. “But that will not happen without a collaborative effort to encourage and facilitate private sector investment. As we look long-term, our most important strategic initiative is San José’s Green Vision, which is our roadmap to become the world’s center of innovation in clean green technologies with 25,000 CleanTech jobs.”

San José is already home to leading CleanTech companies including: NanoSolar, which recently has opened the world’s largest factory to print solar cells; SunPower, the fastest growing public tech company in the United States; and SoloPower, which just created 150 new manufacturing jobs in Edenvale. “A Clean Tech Jobs Investment Fund will build on those successes,” Reed said.

In addition to the unanimous City Council approval of his 10-point, 15-year Green Vision on October 30, Mayor Reed’s first year in office was highlighted by adoption of the majority of his Reed Reforms for open government.

“We changed direction in ethics. 2007 was the year of the Reed Reforms to make honesty, fiscal responsibility and open government a part of the culture of City Hall, to restore public trust, and to make it easier for the public to know what the City is doing and participate in the process,” Reed said.

The city also changed direction in land use. “We adopted new policies to stop the wholesale conversion of employment lands to save our jobs and tax base,” Reed said. “We backed away from changing the triggers for development in Coyote Valley, and we launched a major update of the General Plan with a community wide task force.”

In line with Reed’s long-standing commitment to fiscal responsibility, “We changed direction in budgeting. We began a new community based budgeting process to better identify priorities. We faced up to reality and began the difficult process of eliminating the structural budget deficit.”

A top priority for next year is dealing with the city’s budget problems.

“We cannot become a great city unless we eliminate our structural budget deficit,” Reed said. “Next year will be the eighth year in a row of budget shortfalls. State law requires us to balance our budget, and we will have to make cuts in services. We are facing operating budget shortfalls of more than \$137 million over the next three years.”

The Mayor outlined a three-part strategy to addressing the deficit:

- 1) growing city revenues, including developing new jobs and increasing economic vitality;
- 2) becoming more efficient by using technology to increase productivity and by investing capital funds to save energy and reduce maintenance costs;
- 3) slowing the growth in city expenses by not agreeing to spend more money than we have.

Specifically mentioning the need to limit future pay increases, he called on city employees, the City Council, businesses, and residents to “accept fiscal reality while we work together on our budget problems.”

“Other cities have solved their budget problems with layoffs and salary cuts. That’s not what I’m suggesting. I am talking about smaller raises,” Reed said.

“I’m going to do my part as well,” he said. “That’s why this speech does not have a long list of new spending proposals.”

Mayor Reed also highlighted the importance of remaining focused on public safety given increasing gang violence. “Keeping our city safe is a challenge that all big cities are facing,” he said. “There is no simple solution to crime and violence, but don’t be mistaken, as our city grows so must our police department.”

Mayor Reed closed the address by calling on attendees to embrace the city's Green Vision goals for improving the environment and building a stronger economy by taking a four-part pledge:

- I pledge to replace five incandescent light bulbs with compact fluorescent light bulbs.
- I pledge to turn off the tap while brushing my teeth.
- I pledge to replace at least one car trip a month with walking, bicycling, or public transit.
- I pledge to recycle 100% of my newspaper, glass, plastic, and aluminum at home.

To get started with the goals, attendees were given free seedlings to plant, courtesy of Our City Forest, and free compact fluorescent light bulbs, courtesy of PG&E. The 2008 Community Breakfast was made climate-neutral through PG&E's ClimateSmart program.

"There are many elements to being a great city. One of the key elements is growing sustainably, preserving our open space, and protecting our environment. That's what our Green Vision is trying to accomplish. But it's not just a vision for City government. It's a vision for all of us," he said.

In addition to the State of the City Address by Mayor Reed, the event recognized Community Honorees from each City Council District and honored city employees with the Pride of San José awards. The 10 children who won the Green Vision Art Contest were honored by Mayor Reed and led the Pledge of Allegiance.

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